

# **DANNHAUSER MUNICIPALITY**

## **ANNUAL FINANCIAL STATEMENTS AT JUNE 30, 2009**

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## **DANNHAUSER MUNICIPALITY**

### **ANNUAL FINANCIAL STATEMENTS AT JUNE 30, 2009**

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#### **GENERAL INFORMATION**

##### **MEMBERS OF THE COUNCIL**

Councillor MB Shabalala	Mayor
Councillor PG Nair	Deputy Mayor
Councillor MA Sibeko	Speaker
Councillor MPO Motha	Member of the Executive Committee
Councillor SM Zwane	Member of the Executive Committee
Councillor PPC Kubheka	Member
Councillor LM Ndlovu	Member
Councillor JP Khumalo	Member
Councillor P Bhugwandin	Member
Councillor C Ndlangamandla	Member
Councillor PP Nene	Member
Councillor AN Radebe	Member
Councillor OB Ndebele	Member
Councillor NGJ Manyathi	Member
Councillor MH Masuku (deceased 14/08/2008)	Member
Councillor GE Zulu	Member
Councillor QE Motloung (resigned 07/05/2009)	Member
Councillor MA Buthlezi	Member
Councillor BA Thusi	Member
Councillor MA Ngiyane	Member

##### **MUNCIPAL MANAGER**

WB Nkosi

##### **CHIEF FINANCIAL OFFICER**

TVS Ndlovu

##### **GRADING OF LOCAL AUTHORITY**

Grade 2

##### **AUDITORS**

Auditor-General

##### **BANKERS**

ABSA Bank Limited – Newcastle  
Standard Bank of SA Limited - Dannhauser  
First National Bank Limited - Newcastle

## **DANNHAUSER MUNICIPALITY**

### **ANNUAL FINANCIAL STATEMENTS AT JUNE 30, 2009**

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#### **GENERAL INFORMATION** (continued)

<b>REGISTERED OFFICE</b>	Dannhauser Municipality
<b>PHYSICAL ADDRESS</b>	8 Church Street Dannhauser 3080
<b>POSTAL ADDRESS</b>	Private Bag X1011 Dannhauser 3080
<b>TELEPHONE NUMBER</b>	(034) 621 2666
<b>FAX NUMBER</b>	(034) 621 3114

## **DANNHAUSER MUNICIPALITY**

### **ANNUAL FINANCIAL STATEMENTS AT JUNE 30, 2009**

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#### **APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

I am responsible for the preparation of these annual financial statements, which are set out on pages 12 to 36, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 11 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and Minister of Provincial and Local Government's determination in accordance with this Act.

WB Nkosi  
Municipal Manager

28 August 2009

**DANNHAUSER MUNICIPALITY  
FOREWORD BY HER WORSHIP THE MAYOR**

Honourable Speaker, Deputy Mayor Members of the Executive Committee, Councillors, members of staff and other stakeholders present, the Annual Financial Statements for the financial year ended 30 June 2009 are tabled for your consideration.

The Municipal Council is under immense pressure in ensuring that the limited resources it has are used effectively for service delivery. However, at times this seems like a losing battle given the nature of the areas that we have to service. This is mainly due to the predominantly large rural areas which we have to service, that have long been sidelined when it comes to developmental issues ranging from social and infrastructural. It is of importance to note that these are the same areas from which we as a municipal council are not generating any income. However, this is going to change in the next coming financial year with the introduction of the new Municipal Property Rates Act (MPRA). It is common thought that the equitable share allocation, as per the Division of Revenue Act (DORA), is not enough for effective service delivery. We are hoping that in the coming financial years, the method of determining these allocations will be revised and increased accordingly.

You will recall that during the tabling of the 2007 financial statements, I mentioned that we need to increase our efforts in the areas of debtor management and collection to reduce the collection period of our outstanding debtors. For the 2008/09 financial year we have noted from the monthly income received reports that there has been a substantial increase in our collections. We have even managed to revise and adopt a Debt Control and Collection policy as a tool to maximize our debt collection.

Long before the budget/IDP review and implementation, a series of public meetings were hosted by the municipal council within the various Wards. In compliance with legislation, these meetings are intended to ensure that the Budget/IDP to be implemented has also taken into consideration the public's views in terms of their respective needs. During such consultations, it was noted that common to almost all the wards, the following were of great concern:-

- Lack of basic water and sanitation.
- Electricity.
- High rate of unemployment (consequent to the closure of mines around Dannhauser).
- Illiteracy amongst the elderly.
- Crèches, schools and health facilities.

Even though some of the concerns raised fell outside our scope of powers and functions, attempts were however made to facilitate access by the communities to such needs or requirements. During the adjustment budget process, the municipal council also made provision for the procurement of Jojo tanks in an attempt to alleviate the shortage of water problems across all Wards. Furthermore, the Office of the Mayor, in consultation with Councillors, has been in constant deliberations with service providers of water and sanitation including electricity to assist in identifying those communities that still require these services.

During the year ended 30 June 2009, the municipal council has managed to raise R36 152 017 in revenue of which R29 129 552 (80%) was raised through National and Provincial Government. The operating expenditure of the municipal council amounted to R35 156 990 which left us with an operating surplus of R995 027. Our accumulated surplus decreased from R10 451 985 as at 30 June 2008 to R4 826 489 as at 30 June 2009. This decrease is mainly due to the correction of prior period errors as discussed further in the annual financial statements.

Our economy also felt the impact of the recession which the municipal council managed to cushion. The recession gave rise to prices of certain commodities shooting up especially those for building materials. Our communities suffered quite a number of rain and storm disasters which necessitated the municipal council having to give a lending hand to those households (i.e. indigent households) who had their houses destroyed.

The sharp rise in prices for building materials made it practically impossible to assist all those who were affected by these disasters.

**CLR MB SHABALALA  
MAYOR**

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**DANNHAUSER MUNICIPALITY  
REPORT OF THE CHIEF FINANCIAL OFFICER**

**1. Challenges**

The 2008/09 financial year has been a rather difficult year which has been characterised by the instability of the rand, rising food, petrol, diesel and paraffin prices. It has also seen the near collapse of the first world countries' economies due to the recession.

Our economy also felt the impact of the recession which was evident from the drop of car sales, small-medium businesses closing down, houses and motor vehicles being repossessed. Our municipal council somehow managed to strive through these hard times by realising a surplus for the year. The Municipality also managed to generate substantial income from investments.

The municipal council will be faced with much bigger challenges during the next coming financial year with the implementation of the new Municipal Property Rates Act (MPRA) and the conversion to Generally Recognised Accounting Practices (GRAP).

It is hence wiser to embrace ourselves for the challenges that we might have to face in the coming financial year and practice logical use of our limited financial resources to achieve effective service delivery. The motto of effective service delivery seems to be the primary objective for all spheres of government.

**2. Operating Results**

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E.

The applicable statistics are shown in Appendix F. The overall operating results for the year ended 30 June 2009 are as follows:

	<b>Actual 2008</b>	<b>Actual 2009</b>	<b>Variance 2008-2009</b>	<b>Budget 2009</b>	<b>Variance Actual/Budget</b>
	<b>R</b>	<b>R</b>	<b>%</b>	<b>R</b>	<b>%</b>
<b>Income</b>					
Opening Surplus/(Deficit)	6,216,587	10,451,985	68.1%	-	
Operating Income for the year	26,063,095	36,152,017	38.7%	35,192,879	2.7%
<b>Sub-total</b>	<b>32,279,682</b>	<b>46,604,002</b>		<b>35,192,879</b>	
<b>Expenditure</b>					
Operating Expenditure for the year	21,503,694	35,156,990	63.5%	34,285,631	1.5%
Sundry Transfers/ Appropriation	324,003	6,620,523			
Closing Surplus/(Deficit)	10,451,985	4,826,489	-53.8%	907,248	
<b>Sub-total</b>	<b>32,279,682</b>	<b>46,604,002</b>		<b>35,192,879</b>	



**DANNHAUSER MUNICIPALITY**  
**REPORT OF THE CHIEF FINANCIAL OFFICER (continued)**

Rates and General Services and Community Services

	<b>Actual 2008</b>	<b>Actual 2009</b>	<b>Variance 2008-2009</b>	<b>Budget 2009</b>	<b>Variance Actual/Budget</b>
	<b>R</b>	<b>R</b>	<b>%</b>	<b>R</b>	<b>%</b>
Income	26,063,095	36,152,017	38.7%	35,192,879	2.7%
Expenditure	21,503,694	35,156,990	63.5%	34,285,631	2.5%
<b>Surplus / (Deficit)</b>	4,559,401	995,027		907,248	
Surplus as % of total income	17.5%	2.8%		2.6%	

Trading Services – Water

The Municipality does not provide trading services.

Housing Services

The Municipality does not provide housing services

**3. Capital Expenditure and Finance**

The expenditure consists of the following:

	<b>Actual 2009</b>	<b>Budget 2009</b>	<b>Actual 2008</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Land, buildings, infrastructure	123,350	8,229,000	1,713,491
Furniture & Fittings	179,810	107,200	-
Refuse Dump	-	-	-
Plant & Equipment	2,049	452,550	-
Vehicles	-	3,300,000	-
	305,209	12,088,750	1,713,491

**DANNHAUSER MUNICIPALITY**  
**REPORT OF THE CHIEF FINANCIAL OFFICER (continued)**

A complete analysis of capital expenditure is included in Appendix C.

Resources used to finance the fixed assets were as follows:

	<b>Actual 2009</b>	<b>Budget 2009</b>	<b>Actual 2008</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Revenue Contributions	266,546	148,550	-
Grants & Subsidies	38,663	8,229,000	1,713,491
Consolidated Capital Development Fund	-	411,200	-
Maintenance Provision	-	-	-
Finance Leases	-	3,300,000	-
	305,209	12,088,750	1,713,491

More details regarding external loans, internal advances and other sources of financing used to finance fixed assets are shown in Appendices B and C respectively.

**4. External Loans, Investments and Cash**

External loans outstanding as at 30 June 2009 amount to R NIL (R656 250 in 2008) as set out in note 3 and Appendix B.

Investments consisting call investment as at 30 June 2009 amounts to R20 260 527 (R19 939 455 in 2008) as set out in note 6.

Cash in bank and on hand as at 30 June 2009 amount to R2 879 914 (R843 938 in 2008) as set out in note 7.

**5. Statutory Funds, Reserves and Provisions**

	<b>2009</b>	<b>2008</b>
	<b>R</b>	<b>R</b>
Statutory Funds	10,278,509	5,005,201
Reserves	-	124,115
Provisions	1,179,782	890,445
<b>TOTAL</b>	<b>11,458,291</b>	<b>6,019,761</b>

**DANNHAUSER MUNICIPALITY**  
**REPORT OF THE CHIEF FINANCIAL OFFICER (continued)**

**Statutory funds:**

The movement regarding statutory funds and reserves is set out in Appendix A.

A contribution of 3% of total income was made to the capital development fund and 50% of the interest earned by the capital development was transferred back to the operational services in terms of the Local Authorities Ordinance of 1974, Act No. 25 of 1974.

**Reserves**

There were no contributions to reserves in the current year.

**Provisions:**

There has been an increase in the audit fees provision and a decrease in the leave pay provision as detailed in note 8.

**6. Going Concern**

The Municipality is significantly dependent upon grants received from National and Provincial Treasury as water and sewerage services have been taken over by the district Municipality. As a consequence, the ability of the Municipality to continue as a going concern is dependent upon the continued support from the National and Provincial Treasury.

**7. Prior period adjustments and corrections**

As detailed in note 15.3 there have been many adjustments and corrections of the prior period errors and disclosures.

These have been completed in order for the Municipality to correct its annual financial statements and financial records for the current year.

**8. Appreciation**

I wish to thank the Mayor, the Deputy Mayor, the Speaker, Members of the Executive Committee, Councillors, the Municipal Manager and Heads of Departments for the support they have given me and my personnel during the year.

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TVS NDLOVU  
CHIEF FINANCIAL OFFICER  
DANNHAUSER MUNICIPALITY

# DANNHAUSER MUNICIPALITY

## BALANCE SHEET AT JUNE 30, 2009

	<i>Note</i>	<i>2009 R</i>	<i>2008 R</i>
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES			
Statutory funds	1	10 278 509	5 005 201
Reserves	2	-	124 115
		<u>10 278 509</u>	<u>5 129 316</u>
ACCUMULATED SURPLUS	15.1	4 826 489	10 451 985
LONG TERM LIABILITIES			
	3	-	-
		<u>15 104 998</u>	<u>15 581 300</u>
<b>EMPLOYMENT OF CAPITAL</b>			
FIXED ASSETS	4	307 242	2 377 799
NET CURRENT ASSETS		14 797 756	13 203 501
CURRENT ASSETS		25 397 799	27 918 140
Debtors	5	2 257 358	7 134 747
Investments	6	20 260 527	19 939 455
Cash	7	2 879 914	843 938
CURRENT LIABILITIES		10 600 043	14 714 639
Provisions	8	1 179 782	890 455
Creditors	9	9 420 261	13 167 944
Short term portion of long term liabilities	3	-	656 250
		<u>15 104 998</u>	<u>15 581 300</u>

# DANNHAUSER MUNICIPALITY

## INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2009

2008	2008	2008		2009	2009	2009	2009
<i>Actual income</i>	<i>Actual expenditure</i>	<i>Surplus / (deficit)</i>		<i>Actual income</i>	<i>Actual expenditure</i>	<i>Surplus / (deficit)</i>	<i>Budget Surplus / (deficit)</i>
23 497 115	12 547 993	10 949 122	Rates and general services	34 340 881	23 742 986	10 597 895	13 497 708
2 565 980	8 955 701	(6 389 721)	Community services	1 811 136	11 414 004	(9 602 868)	(12 590 460)
-	-	-	Housing services	-	-	-	-
<u>26 063 095</u>	<u>21 503 694</u>	4 559 401	Total	<u>36 152 017</u>	<u>35 156 990</u>	995 027	<u>907 248</u>
		(324 003)	Appropriations for the year (refer to note 15.1)			(6 620 523)	
		<u>4 235 398</u>	Net surplus/(deficit) for the year			<u>(5 625 496)</u>	
		6 216 587	Accumulated surplus beginning of the year			10 451 985	
		<u>10 451 985</u>	Accumulated surplus/ (deficit)			<u>4 826 489</u>	

**DANNHAUSER MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2009**

	<i>Note</i>	<i>2009 R</i>	<i>2008 R</i>
<b>CASH RETAINED FROM OPERATIONS</b>		3 346 779	8 882 420
Cash generated from/(utilised in) operations	16	(28 699 042)	5 670 020
Investment income	14	1 859 679	1 465 605
Increase/(decrease) in working capital	17	1 129 706	(7 569 301)
		(25 709 657)	(433 676)
Less: external interest paid	14	(34 453)	(116 484)
Cash available from operations		(25 744 110)	(550 160)
Cash contributions from public and state		29 090 889	9 432 580
Net proceeds on disposal of fixed assets		-	-
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in fixed assets		(333 481)	(1 713 491)
<b>NET CASH UTILISED</b>		<u>3 013 298</u>	<u>7 168 929</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Increase/(decrease) in short-term loans	18	(656 250)	(913 043)
(Increase)/decrease in cash investments	19	(321 072)	(5 847 465)
(Increase)/decrease in cash on hand and at bank	20	(2 035 976)	(408 421)
		<u>(3 013 298)</u>	<u>(7 168 929)</u>

# **DANNHAUSER MUNICIPALITY**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED JUNE 30, 2009**

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### **1. BASIS OF ACCOUNTING**

#### **1.1 Basis of presentation**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with the standards laid down by the Institute of Municipal Finance Officers (IMFO) in its Code of Practice for Accounting of Local Authorities in South Africa.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of IMFO.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

#### **1.2 Presentation currency**

These annual financial statements are presented in South African Rand.

#### **1.3 Going concern assumption**

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

### **2 CONSOLIDATION**

The balance sheet includes the Rates and General services, Housing services and the different funds, provisions and reserves.

### **3 FIXED ASSETS**

**3.1** Fixed assets are stated in the annual financial statements at historical cost or at valuation, (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use.

**3.2** The balance shown against the heading "Loans redeemed and other capital receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of the "provision" assets are written down over their estimated useful life. Apart from advances from the various Council Funds assets may also be acquired through:

Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income and it is therefore unnecessary to make any further provision for depreciation.

Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "loans redeemed and other capital receipts" account.

## DANNHAUSER MUNICIPALITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED JUNE 30, 2009

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#### **4 STATUTORY FUNDS**

##### **4.1 Consolidated Capital Development Fund**

In terms of section 103(9)b of the Local Authorities Ordinance No. 25 of 1974, a contribution is required to be made to the Consolidated Capital Development Fund equivalent to a minimum of 3% of gross revenue.

##### **4.2 Public Improvement Fund**

In terms of section 80(3)(iv) of the Local Authorities Ordinance No 25 of 1974, the proceeds of any loans raised by council for the purchase of any immovable property contemplated in subparagraph (i), shall be paid into a fund to be called the Public Improvement Fund.

#### **5 PROVISIONS**

Provisions are created for liabilities or contingencies which are known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy.

#### **6 INVESTMENTS**

Investments are stated in the financial statements at cost and are invested in accordance with the requirements of Circular No 10 of 1992 issued by the office of the Auditor-General.

#### **7 GRANTS, TRANSFERS AND DONATIONS**

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

#### **8 RETIREMENT BENEFIT FUND**

The Council and its employees contribute to the Natal Joint Municipal Pension Fund's three funds which provide retirement benefits to such employees.

The funds are subject to the Pension Funds Act 1956, and are self administered, defined benefit plans. Pensions are calculated on the average annual pensionable emoluments during the last years of service. Current contributions are charged against operating income on the basis of current service costs. Full actuarial valuations are performed every three years.

#### **9 TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES**

The costs of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services.

#### **10 SURPLUSES AND DEFICITS**

Surpluses or deficits arising from the operations of the Housing Service are required by Section 15 (4) and (5) of the Housing Act, No 107 of 1997 to be dealt with in the Housing Operating account.

#### **11 LEASED ASSETS**

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreements

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance, utilised in each accounting period.



## **DANNHAUSER MUNICIPALITY**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED JUNE 30, 2009**

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#### **11 LEASED ASSETS (continued)**

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

#### **12 INCOME RECOGNITION**

##### **12.1 Assessment rates**

Dannhauser Municipality applies a differential site rating system. In term of this system assessment rates are levied on the value of the land and improvements of a property and rebates determined by council from time to time are granted to the owners of the property.

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

### 1. STATUTORY FUNDS

	<b>2009</b>	<b>2008</b>
	<b>R</b>	<b>R</b>
Consolidated Capital Development Fund	8 435 053	3 948 253
Public Improvement Fund	1 496 677	845 885
Housing Operating Account	346 779	211 063
	<u>10 278 509</u>	<u>5 005 201</u>

(Refer to Appendix A for detail)

### 2. RESERVES

Maintenance and Renewal Reserve	-	82 534
DM Funding Reserve	-	41 581
	<u>-</u>	<u>124 114</u>

(Refer to Appendix A for more detail)

### 3. LONG TERM LIABILITIES

Umsekeli Loan	-	656 250
Less : Current portion transferred to current liabilities	-	(656 250)
	<u>-</u>	<u>-</u>

(Refer to appendix B for more detail)

2008: Interest is payable at standard government rates less 4% and repayable quarterly commencing on March 31 2005

### 4. FIXED ASSETS

Fixed Assets at the beginning of the year	13 231 414	11 517 923
Capital expenditure during the year	305 209	1 713 491
Assets written off, transferred or disposed of during the year and prior year corrections	28 272	-
Total fixed assets	<u>13 564 895</u>	<u>13 231 414</u>
Less: Loans redeemed and other capital receipts	<u>(13 257 653)</u>	<u>(10 853 615)</u>
Net fixed assets	<u>307 242</u>	<u>2 377 799</u>

(Refer to Appendix C for more detail)

### 5. DEBTORS

<b>Consumer Debtors</b>	2 866 822	5 354 291
Less: Unallocated receipts	<u>(961 904)</u>	<u>-</u>
	1 904 918	5 354 291
Less : Provision for bad debts	<u>(1 090 538)</u>	<u>(1 855 223)</u>
	814 380	3 499 068
Staff Debtors	-	675 994
Suspense and Sundry Debtors	-	510 785
Other Debtors	21 360	2 215 632
Inter-Authority Debtor	-	233 268

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	2009 R	2008 R
<b>5. DEBTORS</b>		
<b>Consumer Debtors</b> (continued)		
Vat Receivable	1421 618	-
	<u>2 257 358</u>	<u>7 133 747</u>

Prior year annual financial statements incorrectly disclosed VAT payable as a debtor, therefore re-classified as a creditor for disclosure purposes. Refer to note 9 for reclassification

Debtor balances raised due to prior period incorrect take on balances were R 12 422 362 (2008: R NIL). The effect is an increase from balance of R 5 354 291 to R 17 410 421. Consumer debtor amounts totalling R 11 223 492 (2008: R NIL) were written off to accumulated surplus as these represent debtor balances and take on balances which have not moved and have erroneously not been cleared in prior years. The net effect on consumer debtors is R 875 955 write up.

Other debtor amounts totalling R 3 438 919 (2008: R NIL) were written off to accumulated surplus as this represents debtor balances and take on balance which have not moved, and have erroneously not been cleared in prior years.

Refer to note 15.3 for prior year adjustments on debtors and vat.

No debts were written off as bad in the current year (2008: R NIL).

Consumer debtors ageing		
Current (0 – 30 days)	350 809	-
31-60 Days	223 584	-
61-90 Days	239 987	-
91-120 Days	212 699	-
120 days and more	877 839	-
	<u>1 904 918</u>	<u>-</u>

The prior year comparatives were not disclosed as there were errors in the prior year debtors' age analysis. A reasonable reconstruction can not be performed for the prior period.

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	2009 R	2008 R
<b>6. INVESTMENTS</b>		
Call investments	<u>20 260 527</u>	<u>19 939 455</u>
	<u>20 260 527</u>	<u>19 939 455</u>
Call investments consists of 32 day call accounts and notice accounts with reputable financial institutions.		
Prior year balance for investments have been corrected per note 15.3		
<b>7. CASH</b>		
The Municipality has the following bank account: Current Account (Primary account) Standard Bank of SA Limited Account number 060032073		
Balance at the beginning of the year	<u>840 166</u>	<u>435 519</u>
Balance at the end of the year	<u>2 876 714</u>	<u>840 166</u>
Cash on hand	<u>3 200</u>	<u>3 772</u>
	<u>2 879 914</u>	<u>843 938</u>
Errors noted on the cash book from prior years have been corrected per note 15.3		
<b>8. PROVISIONS</b>		
Provision for leave pay	471 307	890 445
Provision for audit fee	<u>708 475</u>	<u>-</u>
	<u>1 179 782</u>	<u>890 445</u>
Prior year leave pay provision amount incorrectly included the audit fee provision as well. The leave pay provision is R 654 972 and audit fee provision R 235 473.		
<b>9. CREDITORS</b>		
Trade creditors and accruals	479 616	1 043 407
Unspent conditional grants	8 940 645	7 932 892
Other Creditors	-	3 896 125
Vat Payable	-	295 520
	<u>9 420 261</u>	<u>13 167 944</u>
Prior year balances for trade creditors, accruals and other creditors have been corrected per note 15.3.		

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

### 10. ASSESSMENT RATES

	Valuation Roll as at 02/06/2008 R	Actual Income 2009 R	Actual Income 2008 R
	144 075 200	3 338 865	4 651 435
(Refer to appendix D)			
Revaluations are required to be carried out at intervals not exceeding 5 years. The last general valuation came into effect on 02 June 2008			
<b>Rates randage – Dannhauser</b>			
Land		0.2235749c/R1	0.21292845c/R1
Vacant Land		0.2784121c/R1	0.26515440c/R1
Buildings		0.0115990c/R1	0.01104705c/R1
<b>Rates randage- Hattingspruit</b>			
Land		0.069750c/R1	0.06642825c/R1
Vacant Land		0.069750c/R1	0.06642825c/R1
Buildings		0.030616c/R1	0.02915850c/R1
<b>Rates randage – Durnacol</b>			
Land		0.2235749c/R1	0.21292845c/R1
Vacant Land		0.2784121c/R1	0.26515440c/R1
Buildings		0.0115990c/R1	0.01104705c/R1
<b>Rates randage – Emfaseni</b>			
Land		0.225750c/R1	-
Vacant Land		0.225750c/R1	-
Buildings		0.121540c/R1	-
Non rateable land and buildings		10 196 000	131 572 100
Rebate granted to qualifying pensioners		10.00%	10.00%
		<b>2009</b>	<b>2008</b>
		<b>R</b>	<b>R</b>

### 11. COUNCILLOR'S REMUNERATION

Mayor's allowance	267 125	237 159
Deputy Mayor's allowance	213 700	191 435
Speaker's allowance	213 700	191 435

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	2009 R	2008 R
<b>11. COUNCILLOR'S REMUNERATION (continued)</b>		
Executive committee allowance	400 686	540 009
Ordinary Councillor's allowance	2 125 067	1 865 365
Other allowances	195 296	127 131
Pension Fund contributions	423 754	782 166
	<u>3 839 328</u>	<u>3 934 700</u>
As per government notice R1319 dated 08 December 2008, the salaries, allowances and benefits of all councillors are 100% of the upper limit of a Grade 2 Municipality of the framework of part-time councillors.		
<b>12. SENIOR MANAGEMENT REMUNERATION</b>		
In terms of Section 124 of the Municipal Finance Management Act, NO 56 of 2003 the following information is disclosed:		
Total gross remuneration disclosed is for 12 months unless otherwise stated. No performance bonuses were paid in the current and prior years.		
Municipal Manager	477 571	605 000
Chief Financial Officer	313 601	372 467
Manager Technical Services	285 171	328 263
Manager Health Services	272 937	303 980
Manager Secretarial Services	265 493	321 532
Manager in the Municipal Managers Office	-	330 000
	<u>1 614 773</u>	<u>2 261 242</u>
<b>13. AUDITORS REMUNERATION</b>		
Audit Fees		
Current Year	708 475	186 549
Under provision prior year	134 477	-
	<u>842 952</u>	<u>186 549</u>
Prior year disclosures were not made in the prior year annual financial statements		
<b>14. FINANCE TRANSACTIONS</b>		
Total external interest earned or paid:		
Interest Earned	1 859 679	1 465 605
Interest Paid	<u>34 453</u>	<u>116 484</u>
Capital charges debited to the operating account:		
Interest:		
External	34 453	116 484
Internal	37 513	-
Redemption:		
External	656 250	913 043
Internal	<u>139 550</u>	<u>410 267</u>
	<u>867 766</u>	<u>1 430 794</u>

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	2009 R	2008 R
<b>15. APPROPRIATIONS</b>		
<b>15.1 Appropriation account/ Accumulated surplus</b>		
Accumulated surplus	10 451 985	6 216 587
Operating surplus for the year	995 027	4 559 401
Appropriation for the year	(6 620 523)	(324 003)
Prior year adjustments	(4 760 844)	(324 003)
Contribution to Statutory Fund	(1 859 679)	-
Accumulated surplus at the end of the year	4 826 489	10 451 985
<b>15.2 Operating account</b>		
Capital Expenditure	-	260 081
Contributions to :	1 173 856	-
Provision for leave pay	12 887	-
Provision for bad debts	(766 544)	-
Provision for audit fees	842 952	-
Consolidated Capital Development Fund	1 084 561	-
	1 173 856	260 081
<b>15.3 Prior year adjustments</b>		2009 R
Statutory Funds (Refer Appendix A and B)		
Prior year interest on external investments allocated to Statutory Funds on a proportionate basis.		1 465 605
Prior year Contribution to the Consolidated Capital Development Fund.		781 893
Prior year redemption of internal advances.		148 552
Prior year Interest on internal advances allocated to Consolidated Capital Development Fund		44 058
Reserves (refer Appendix A)		
Prior year reserves created in error written off		(124 115)
Cash (note 7)		
Prior year cash balance was overstated due to errors on the cashbook.		650 124
Creditors (note 9)		
Prior year creditors' balances were written off as these balances were no longer outstanding and the Municipality has no intention to settle these as they do not exist.		(155 618)
Prior year other creditors balances were written off as these balances were no longer outstanding and the Municipality has no intention to settle these as they do not exist.		(3 311 615)

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	2009 R
<b>15. APPROPRIATIONS (continued)</b>	
<b>15.3 Prior year adjustments (continued)</b>	
Amajuba water and sanitation creditor's balances relating to prior years were written off as these balances were transferred to district in prior years.	(1 363 054)
Prior year balances on the salary suspense account and salary control account has been cleared.	(360 655)
Correction of prior year opening balances of creditors	323 094
Debtors (note 5)	
Prior year Amajuba water and sanitation balances written off as these balances were transferred to district in prior years	233 268
Prior period consumer debtors' balances raised due to incorrect take-on balances	(12 422 362)
Prior period consumer debtors' balances written off as these balances were not considered to be recoverable, has not moved or not cleared after payment.	16 228 959
Prior year debit balances written off as these balances were not considered to be recoverable, has not moved or not cleared after payment.	4 464 504
Prior year debtors balances written off as these balances were not considered to be recoverable, has not moved or not cleared after payment.	2 196 732
VAT (note 5)	
Prior year refund received from South African Revenue Services incorrectly recognised as revenue during the current year.	(1 912 988)
VAT balance relating to prior years take on balances cleared as incorrectly raised.	(196 761)
Provision (note 8)	
Reversal of prior year leave pay provision incorrectly written off to accumulated surplus.	469 147
Prior year underprovision for audit fee	(134 477)
Fixed Asset (note 4)	
Reclassification of prior year fixed asset additions in the financial records that were incorrectly recorded as an expense in the prior year.	(1 713 491)
Investments (note 6)	
Correction of opening balance of investments	1 538 606
Correction of prior year accumulated surplus	108 170
	<u>4 760 844</u>



# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	<b>2009 R</b>	<b>2008 R</b>
<b>16. CASH GENERATED FROM OPERATIONS</b>		
Surplus/ (deficit) for the year	995 027	4 559 401
Adjustments in respect of:		
Previous years' operating transactions	(2 462 793)	-
Appropriations charged against income:	1 030 510	260 081
Consolidated Capital Development Fund	1 084 561	-
Provision for leave pay (non cash element)	2 159	-
Provision for bad debts (non cash element)	(764 685)	-
Provision for audit fees (non cash element)	708 475	-
Fixed assets	-	260 081
Capital charges:		
Interest paid:		
To internal fund	37 513	-
On external loans	34 453	116 484
Redemption:		
of internal advances	139 550	401 267
Of external loans	656 250	913 043
Grants and subsidies received from the State	(29 129 552)	-
Non-operating expenditure:		
Expenditure charged against accumulated funds	-	(580 256)
	<u>(28 699 042)</u>	<u>5 670 020</u>
<b>17. (INCREASE) / DECREASE IN WORKING CAPITAL</b>		
(Increase) / decrease in debtors	4 877 389	(6 242 643)
Increase / (decrease) in creditors	<u>(3 747 683)</u>	<u>(1 326 657)</u>
	<u>1 129 706</u>	<u>(7 569 300)</u>
<b>18. INCREASE / (DECREASE) IN SHORT-TERM LOANS (EXTERNAL)</b>		
Loans raised	-	-
Loans redeemed	<u>(656 250)</u>	<u>(913 043)</u>
	<u>(656 250)</u>	<u>(913 043)</u>
<b>19. (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS</b>		
Investments made	(20 260 527)	(19 939 455)
Investments realised	19 939 455	14 091 990
	<u>(321 072)</u>	<u>(5 847 465)</u>
<b>20. (INCREASE) / DECREASE IN CASH ON HAND AND AT BANK</b>		
Cash balance : beginning of the year	843 938	435 519
Less : Cash balance : end of the year	<u>(2 879 914)</u>	<u>(843 938)</u>
	<u>(2 035 976)</u>	<u>(408 419)</u>

## DANNHAUSER MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	2009 R	2008 R
<b>21. RETIREMENT BENEFITS</b>		
Employees belong to the following funds within the Natal Joint Municipal Pension Fund which provides retirement benefits to such employees.		
(i) Natal Joint Municipal Pension Fund (retirement)		
(ii) Natal Joint Municipal Pension Fund (superannuation)		
(iii) Natal Joint Municipal Pension Fund (provident)		
The retirement plans are subject to the Pension Funds Act, 1956 with pensions being calculated on the final pensionable remuneration paid.		
Current contributions are charged against operating income on the basis of current service costs.		
 Full actuarial valuations are performed at least every three years. The latest independent valuation was undertaken on 31 March 2008, and indicated a surplus of R111.8 million in respect of the Superannuation Fund and a deficit of R 204.8 million in respect of the Retirement Fund. This shortfall will be met by 01 July 2010.		
 The liabilities of the Provident Fund exceeded the assets, resulting in a deficit of R3.25 million. The deficit of R3.25 million will be met from future investment earnings therefore the Fund is considered financially sound.		
 As the final retirement benefits payable to members are determined solely by the contributions paid to the fund, together with investment earnings thereon, the Municipality has no unfunded liabilities.		
<b>22. CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
Approved and contracted for	23 062 862	10 089 149
Approved but not yet contracted for	3 887 994	6 689 900
	<u>26 950 856</u>	<u>16 779 049</u>
 This expenditure will be financed from		
Internal sources	-	-
External source	26 950 856	16 779 049
	<u>26 950 856</u>	<u>16 779 049</u>

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	2009 R	2008 R
<b>23. CONSOLIDATED CAPITAL DEVELOPMENT FUND</b>		
Outstanding advances to borrowing services:		
Accumulated fund (refer note 1)	8 435 053	3 948 253
Less : external investments	(8 055 342)	(3 948 253)
Less: temporary advance	-	-
	<u>379 711</u>	<u>-</u>
(Refer to appendices A and B for more detail)		
<b>24. PUBLIC IMPROVEMENT FUND</b>		
Outstanding advances to borrowing services:		
Accumulated fund (Refer note 1)	1 496 677	845 885
Less : Capital Outlay	-	(845 885)
Less: External investments	(1 496 677)	-
	<u>-</u>	<u>-</u>
(Refer to appendices A and B for more detail)		
<b>25. HOUSING OPERATING ACCOUNT</b>		
Outstanding advances to borrowing services:		
Accumulated fund (Refer to note 1)	346 779	211 063
Less: External Investments	(346 779)	(211 063)
Less: Temporary advance	-	-
	<u>-</u>	<u>-</u>
(Refer to appendices A and B for more detail)		
<b>26. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
No contingent liabilities and contractual obligations were in existence at year end.		
<b>27. BANK OVERDRAFT</b>		
No overdraft facilities were available for the year ending 30 June 2008 and 2009.		
<b>28. COMPARITIVE INFORMATION</b>		
The comparative information in these financial statements agrees to the signed prior year annual financial statements. In certain circumstances the information may not be comparative due to errors in the prior year financial statements.		
(Refer to note 15.3 for more detail.)		

# DANNHAUSER MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009

	2009 R	2008 R
<b>29. ADDITIONAL DISCLOSURE IN TERM OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>29.1. Contributions to organised local government</b>		
Opening Balance	68 162	-
Council subscriptions	184 671	-
Amount paid – current	(43 867)	-
Amount paid – previous years	(21 167)	-
Balance unpaid (included in trade creditors and accruals- note 9)	<u>187 799</u>	<u>-</u>
Prior year disclosures have not been made in prior year annual financial statements. No documentation could be found to reconstruct the note.		
<b>29.2. Audit fees</b>		
Opening Balance	235 473	422 022
Audit fees – current	708 475	-
Audit fees – prior year underprovision	134 477	-
Amount paid – current	-	-
Amount paid – previous years	(369 950)	(186 549)
Balance unpaid (included in provision – note 9)	<u>708 475</u>	<u>235 473</u>
<b>29.3. VAT</b>		
Vat receivable/ (payable)	<u>(1 421 618)</u>	<u>(295 520)</u>
Vat receivable is shown in note 5 and VAT payable is shown in note 9. All VAT returns have been submitted by the due date throughout the year.		
<b>29.4. PAYE and UIF</b>		
Opening balance	-	-
Current year payroll deductions	1 395 833	1 199 952
Amount paid – current year	(1 395 833)	(1 199 952)
Amount paid – previous years	-	-
Balance unpaid (included in payables)	<u>-</u>	<u>-</u>
<b>29.5. Pension and Medical Aid Deductions</b>		
Opening Balance	-	-
Current year payroll deductions and Council Contributions	2 645 785	2 396 926
Amount paid- current year	(2 645 785)	(2 396 926)
Amount paid – previous years	-	-
Balance unpaid (included in payables)	<u>-</u>	<u>-</u>

## **DANNHAUSER MUNICIPALITY**

### **NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2009**

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#### **30. RISK MANAGEMENT**

In accordance with section 62 (1)(c)(i) of Municipal Finance Management Act (MFMA), the Municipality has not yet developed a risk management policy and fraud prevention plan, however the Municipality has been in consultation with Municipal Council in an attempt to assist with the formulation of the policies.



## DANNHAUSER MUNICIPALITY

### APPENDIX A: SCHEDULE OF STATUTORY FUNDS AND RESERVES FOR THE YEAR ENDED JUNE 30, 2009

	<i>Balance at 30/06/2008</i>	<i>Prior year adjustments</i>	<i>Restated balance at 30/06/2008</i>	<i>Written off during the year</i>	<i>Contributions during the year</i>	<i>Interest on investments</i>	<i>Other income</i>	<i>Expenditure during the year</i>	<i>Balance at 30/06/2009</i>
	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>
<b>Statutory funds</b>									
Consolidated Capital Development Fund	3 948 253	1 897 756	5 846 009	-	1 084 561	1 504 483	-	-	8 435 053
Public Improvement Fund	845 885	336 504	1 182 389	-	-	314 288	-	-	1 496 677
Housing Operating Account	211 063	57 296	268 359	-	-	78 420	-	-	346 779
	<u>5 005 201</u>	<u>2 291 556</u>	<u>7 296 757</u>	<u>-</u>	<u>-</u>	<u>1 897 191</u>	<u>-</u>	<u>-</u>	<u>10 278 509</u>
<b>Reserves</b>									
Maintenance and Renewal Reserve	82 534	-	-	(82 534)	-	-	-	-	-
DM Funding Reserve	41 581	-	-	(41 581)	-	-	-	-	-
	<u>124 115</u>	<u>-</u>	<u>-</u>	<u>(124 115)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### Statutory Funds:

Prior year adjustments on the Statutory Funds represents contributions, allocations and redemptions not processed for the prior year.

#### Reserves:

The reserves, which were created in the prior year, have been written off to accumulated surplus as these were created in error. These amounts do not have support and Municipality has no intention to utilise these amounts in the future.

Refer note 15.3

# DANNHAUSER MUNICIPALITY

## APPENDIX B: EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED JUNE 30, 2009

	<i>Balance at 30/06/2008 R</i>	<i>Received during the year R</i>	<i>Paid/ Redeemed/ written off during the year R</i>	<i>Balance at 30/06/2009 R</i>		
<b>External loans</b>						
Long-term loans						
UMsekeli	656 250	-	(656 250)	-		
Total long-term loans	656 250	-	(656 250)	-		
Annuity Loan	-	-	-	-		
Government loan	-	-	-	-		
	656 250	-	(656 250)	-		
	<i>Balance at 30/06/2008 R</i>	<i>Prior year adjustments R</i>	<i>Restated balance at 30/06/2008 R</i>	<i>Received during the Year R</i>	<i>Redeemed/ written off during the Year R</i>	<i>Balance at 30/06/2008 R</i>
<b>Internal advances</b>						
Consolidated Capital Development Fund	-	252 715	252 715	266 546	(139 550)	379 711
	-	252 715	252 715	266 546	(139 550)	379 711
Internal advances:						
Prior year adjustments consist of:						
Reversal of incorrect redemption in the prior year		401 267				
Prior year correct redemption of internal advances		(148 552)				
		252 715				



# DANNHAUSER MUNICIPALITY

## APPENDIX C: ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2009

Expenditure 2008	Service	Budget 2009	Balance at 30/06/2008	Expenditure 2009	Written off/ transferred / prior year corrections	Balance at 30/06/2009
R	R	R	R	R	R	R
1 713 491	<b>Rates and general Services</b>	12 088 750	13 231 414	305 209	28 272	13 564 895
1 711 541	<b>Community Services</b>	12 088 750	7 387 983	305 209	28 272	7 721 464
-	Administration	250 000	308 562	89 080	-	397 642
-	Council General	98 200	111 906	-	-	111 906
1 711 541	Civic Buildings	-	3 114 127	123 350	-	3 237 477
-	Protection Services	202 550	242 240	25 621	28 272	296 133
-	Treasury	9 000	618 763	67 158	-	685 921
-	Health	-	19 872	-	-	19 872
-	Vehicles	3 300 000	279 999	-	-	279 999
-	Roads	8 229 000	2 692 514	-	-	2 692 514
1950	<b>Subsidized Services</b>	-	995 196	-	-	995 156
-	Library	-	280	-	-	280
-	Gardens, Recreation and cleansing	-	527 637	-	-	527 637
1950	Land and Buildings	-	467 239	-	-	467 239
-	<b>Economic Services</b>	-	642 002	-	-	642 002
-	Refuse Dump	-	617 138	-	-	617 138
-	Workshop	-	24 864	-	-	24 864
-	<b>Housing Services</b>	-	3 927 607	-	-	3 927 607
-	Economic and sub- economic Housing	-	3 927 607	-	-	3 937 607
-	<b>Public Improvement Fund</b>	-	278 666	-	-	278 666
-	Land and Buildings	-	278 666	-	-	278 666
1 713 491	<b>TOTAL FIXED ASSETS</b>	12 088 750	13 231 414	305 209	28 272	13 564 895
152 313	<b>LOANS REDEMMEED AND OTHER CAPITAL RECEIPTS</b>		10 853 615	834 463	1 569 575	13 257 653
-	Loans redeemed		1 094 447	795 800	1 023 553	2 913 800
-	Contributions to operating income		260 081	-	2	260 083
(546 021)	Grants and subsidies		8 976 223	38 663	7 733	9 022 619
393 708	Sale of Assets		478 344	-	-	478 344
-	Endowments		44 520	-	-	44 520
-	CMIP Funding		-	-	538 287	538 287
1 865 804	<b>NET FIXED ASSETS</b>		2 377 799	1 139 672	1 597 847	307 242

Prior year corrections:

Addition:

The amount disclosed of R 28 272 represents a prior year amount incorrectly disclosed as expenditure in prior annual financial statements. This disclosure is now corrected in the current year.

CMIP Funding:

The amount disclosed of R 538 287 represents a prior year error amount incorrectly disclosed in creditors in prior year annual financial statements. This disclosure is now corrected in the current year.

Loans redeemed:

The amount of R 1 023 553 disclosed includes R 148 552 which represents prior year redemption on internal advances and R875 001 which represents a correction of the balance disclosed in the prior year annual financial statements as the prior year balance was incorrect.

Contributions from operating income and grants and subsidies:

The amounts disclosed as balances in the prior year are incorrect and were corrected in the current year by the respective amounts of R2 and R7 733.

No assets have been written off or transferred in the current year.

DANNHAUSER MUNICIPALITY

APPENDIX D: ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2009

<i>Actual 2008 R</i>		<i>Actual 2009 R</i>	<i>Budget 2009 R</i>
<b>INCOME</b>			
<b>Grants and subsidies</b>			
17 009 594	Central Government	19 890 706	21 084 105
1 577 926	Provincial Government	9 238 846	6 159 000
<b>Operating income</b>			
4 651 435	Assessment rates	3 338 865	3 348 029
314 372	Refuse removal	498 444	470 000
2 509 768	Other service charges	3 185 156	4 131 745
<u>26 063 095</u>		<u>36 152 017</u>	<u>35 192 879</u>
<b>EXPENDITURE</b>			
12 162 463	Salaries, wages and allowances	14 275 547	14 683 945
4 048 620	General expenses	16 898 001	12 030 594
2 538 864	Repairs and maintenance	1 941 820	3 049 384
167 717	Capital charges	867 766	1 764 208
1 773 512	Contributions to fixed assets	-	3 000
812 518	Contributions	1 173 856	2 754 500
<u>21 503 694</u>	<b>Gross expenditure</b>	<u>35 156 990</u>	<u>34 285 631</u>
-	Less: amounts charged out	-	-
<u>21 503 694</u>	<b>Net expenditure</b>	<u>35 156 990</u>	<u>34 285 631</u>

# DANNHAUSER MUNICIPALITY

## APPENDIX E: DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2008 Surplus/ (deficit) R	2009 Budget Surplus/ (deficit) R
23 497 115	12 547 993	10 949 122	<b>Rates and General Services</b>	34 340 881	23 742 986	10 597 895	13 497 708
4 651 435	-	4 651 435	Assessment Rates	3 338 865	-	3 388 865	3 348 029
105 981	5 203 299	(5 097 318)	Council General	986 452	6 754 596	(5 768 144)	(4 901 955)
97 035	2 504 347	(2 407 302)	Corporate Services	-	2 284 771	(2 284 771)	(2 385 397)
18 642 665	4 379 623	14 263 041	Treasury	30 015 564	13 828 944	16 186 620	18 735 379
-	460 724	(460 724)	Municipal Manager	-	874 675	(874 675)	(1 298 348)
<b>2 565 980</b>	<b>8 955 701</b>	<b>(6 389 721)</b>	<b>Community Services</b>	<b>1 811 136</b>	<b>11 414 004</b>	<b>(9 602 868)</b>	<b>(12 590 460)</b>
692 585	953 297	(260 712)	Protection Services	1 154 899	1 421 125	(266 226)	(620 708)
125 886	3 416 667	(3 290 781)	Technical Services	100 715	4 487 538	(4 386 823)	(7 975 570)
		(3 715 642)	Community Services				
512 538	4 228 180	877 414	Development Planning	516 144	4 632 706	(4 116 562)	(4 401 453)
1 234 970	357 557			39 378	872 635	(833 257)	407 271
-	-	-	<b>Housing Services</b>	-	-	-	-
-	-	-	Economic and Sub Economic Housing	-	-	-	-
<u>26 063 095</u>	<u>21 503 694</u>	<u>4 559 401</u>	<u>Total</u>	<u>36 152 017</u>	<u>35 156 990</u>	<u>995 027</u>	<u>907 248</u>
		324 003	Appropriations for this year (refer to note 15.1)			(6 620 523)	
		4 235 398	Net surplus/ (deficit) for the year			(5 625 496)	
		6 216 587	Accumulated surplus / (deficit) for the year			10 451 985	
		10 451 985	Accumulated surplus/ (deficit) end of year			4 826 489	

# DANNHAUSER MUNICIPALITY

## APPENDIX F: STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008	2007
Population	104 065	102 700	102 700
Value of Rateable Property			
Land	11 235 000	-	10 972 800
Improvements	122 644 200	-	118 113 400
Building Clauses	273 000	-	298 000
	<u>134 152 200</u>	<u>-</u>	<u>129 384 200</u>
Value of Non-rateable Property			
Land	2 626 000	-	2 888 200
Improvements	7 570 000	-	5 266 500
	<u>10 196 000</u>	<u>-</u>	<u>8 154 700</u>
Fixed date of last valuation	01 January 2002	01 January 2002	01 January 2002
Assessment Rates- Cents/ Rand			
Dannhauser			
Land	0.223575	0.212928	0.202789
Vacant Land	0.278412	0.265154	0.252528
Improvements	0.011599	0.011047	0.010521
Hattingspruit			
Land	0.069750	0.066428	0.632650
Vacant Land	0.069750	0.066428	0.632650
Improvements	0.030616	0.029159	0.277700
Durnacol			
Land	0.223575	0.212928	0.202789
Vacant Land	0.278412	0.265154	0.252528
Improvements	0.011599	0.011047	0.010521
Emfaseni			
Land	0.225750	-	-
Vacant Land	0.225750	-	-
Improvements	0.121540	-	-
Rebates to qualifying pensioners	10.00%	10.00%	10.00%
Number of employees	92	100	120